

BROITMAN DECLARATION EXHIBIT 12

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CONFORMED SUBMISSION TYPE: 10-K

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COMPANY DATA:

COMPANY CONFORMED NAME:	AT&T CORP
CENTRAL INDEX KEY:	0000005907
STANDARD INDUSTRIAL CLASSIFICATION:	TELEPHONE COMMUNICATIONS (NO RADIO TELEPHONE) [4813]
IRS NUMBER:	134924710
STATE OF INCORPORATION:	NY
FISCAL YEAR END:	1231

FILING VALUES:

FORM TYPE:	10-K
SEC ACT:	1934 Act
SEC FILE NUMBER:	001-01105
FILM NUMBER:	02597071

BUSINESS ADDRESS:

STREET 1:	295 NORTH MAPLE AVENUE
CITY:	BASKING RIDGE
STATE:	NJ
ZIP:	07920
BUSINESS PHONE:	9082214000

MAIL ADDRESS:

STREET 1:	295 NORTH MAPLE AVENUE
CITY:	BASKING RIDGE
STATE:	NJ
ZIP:	07920

FORMER COMPANY:

FORMER CONFORMED NAME:	AMERICAN TELEPHONE & TELEGRAPH CO
DATE OF NAME CHANGE:	19920703

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<TYPE>10-K

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AS FILED ELECTRONICALLY WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 1,
2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

<Table>

<C>	<S>
[X]	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

OR

[]	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
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FOR THE TRANSITION PERIOD FROM TO

</Table>

COMMISSION FILE NUMBER 1-1105

AT&T CORP.

<Table>		
<S>		<C>
	A NEW YORK CORPORATION	I.R.S. EMPLOYER NO. 13-4924710
</Table>		

295 NORTH MAPLE AVENUE, BASKING RIDGE, NEW JERSEY 07920
TELEPHONE NUMBER 908-221-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
SEE ATTACHED SCHEDULE A.

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
NONE.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

At February 28, 2002, the aggregate market value of voting common stock held by non-affiliates was approximately \$54 billion. At February 28, 2002, 3,545,275,809 shares of AT&T common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
NONE.

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SCHEDULE A

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<Table>		
<Caption>		
	TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
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	Common Shares (Par Value \$1 Per Share)	New York, Boston, Chicago, Philadelphia and Pacific Stock Exchanges
	Three Year 6 1/2% Notes due September 15, 2002	New York Stock Exchange
	Five Year 5 5/8% Notes due March 15, 2004	New York Stock Exchange
	Ten Year 6 3/4% Notes, due April 1, 2004	New York Stock Exchange
	Ten Year 7% Notes, due May 15, 2005	New York Stock Exchange
	Twelve Year 7 1/2% Notes, due June 1, 2006	New York Stock Exchange
	Twelve Year 7 3/4% Notes, due March 1, 2007	New York Stock Exchange
	Ten Year 6% Notes due March 15, 2009	New York Stock Exchange
	Thirty Year 8 1/8% Debentures, due January 15, 2022	New York Stock Exchange
	Thirty Year 8.35% Debentures, due January 15, 2025	New York Stock Exchange
	Thirty-Two Year 8 1/8% Debentures, due July 15, 2024	New York Stock Exchange
	Thirty Year 6 1/2% Notes due March 15, 2029	New York Stock Exchange
	Forty Year 8 5/8% Debentures, due December 1, 2031	New York Stock Exchange
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PART I

ITEM 1. BUSINESS

GENERAL

AT&T Corp. was incorporated in 1885 under the laws of the State of New York and has its principal executive offices at 295 North Maple Avenue, Basking Ridge, New Jersey (telephone number 908-221-2000).

AT&T is among the world's communications leaders, providing voice, data and video communications services to large and small businesses, consumers and government entities. AT&T and its subsidiaries furnish domestic and international long distance, regional, and local communications services, cable (broadband) television and Internet communications services. AT&T also provides directory and calling card services to support its communications business. AT&T's primary lines of business are AT&T Business Services; AT&T Consumer Services; and AT&T Broadband Services.

RESTRUCTURING

On October 25, 2000, AT&T announced a restructuring plan to be implemented

by various independent actions designed to fully separate or issue separately tracked stocks intended to reflect the financial performance and economic value of each of AT&T's four major operating units: Broadband Services, Business Services, Consumer Services and Wireless Services.

On December 19, 2001, AT&T and Comcast Corporation announced an agreement to combine AT&T Broadband with Comcast. Under the terms of the agreement, AT&T will spin off AT&T Broadband and simultaneously merge it with Comcast, forming a new company to be called AT&T Comcast Corporation. AT&T shareholders will receive a number of shares of AT&T Comcast common stock based on an exchange ratio calculated pursuant to a formula specified in the merger agreement. If determined as of the date of the merger agreement, the exchange ratio would have been approximately 0.34 shares of AT&T Comcast common stock for each share of AT&T Corp. common stock held, assuming the AT&T shares held by Comcast are included in the number of shares of AT&T common stock outstanding. Assuming Comcast retains its AT&T shares and converts them into exchangeable preferred stock of AT&T as contemplated by the merger agreement, the exchange ratio would be approximately 0.35 as of the date of the execution of the merger agreement. AT&T shareowners will own a 56% economic stake and have a 66% voting interest in the new company, calculated as of the date of the merger agreement. The merger remains subject to regulatory review, shareholder approval by both companies and certain other conditions and is expected to close by the end of 2002. AT&T also reaffirmed its commitment to seek shareholder approval to create a tracking stock designed to reflect the economic value and financial performance of its AT&T Consumer business.

On May 25, 2001, AT&T completed an exchange offer of AT&T common stock for AT&T Wireless stock. Under the terms of the exchange offer, AT&T issued 1.176 shares of AT&T Wireless Group tracking stock in exchange for each share of AT&T common stock validly tendered. A total of 372.2 million shares of AT&T common stock were tendered in exchange for 437.7 million shares of AT&T Wireless Group tracking stock.

On July 9, 2001, AT&T completed the split-off of AT&T Wireless as a separate, independently traded company. All AT&T Wireless tracking stock was converted into AT&T Wireless common stock on a one-for-one basis and 1,136 million shares of AT&T Wireless common stock, held by AT&T, were distributed to AT&T common shareowners on a basis of 0.3218 of a share of AT&T Wireless for each AT&T share outstanding. AT&T common shareowners received whole shares of AT&T Wireless and cash payments for fractional shares. The Internal Revenue Service (IRS) ruled that the transaction qualified as tax-free for AT&T and its shareowners for U.S. federal income tax purposes, with the exception of cash received for fractional shares. AT&T retained approximately \$3 billion, or 7.3%, of AT&T Wireless common stock, about half of which was used in a debt-for-equity exchange in July 2001 and the remaining shares were monetized in the fourth quarter of 2001.

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On August 10, 2001, AT&T completed the split-off of Liberty Media Corporation as an independent, publicly-traded company. AT&T redeemed each outstanding share of Class A and Class B Liberty Media Group (LMG) tracking stock for one share of Liberty Media Corporation's Series A and Series B common stock, respectively. In the redemption, shares of Liberty Media Corporation were issued to former holders of Liberty Media Group tracking stock in exchange for their shares of Liberty Media Group tracking stock. The IRS ruled that the split-off of Liberty Media Corporation qualified as a tax-free transaction for AT&T, Liberty Media and their shareowners.

DESCRIPTION OF AT&T BUSINESS SERVICES

OVERVIEW

AT&T Business Services is one of the nation's largest business services communications providers, offering a variety of global communications services to over 4 million customers, including large domestic and multinational businesses, small and medium-sized businesses and government agencies. AT&T Business Services operates one of the largest telecommunications networks in the United States and, through AT&T's Global Network Services and other investments and affiliates, provides an array of services and customized solutions in 60 countries and 850 cities worldwide.

AT&T Business Services provides a broad range of communications services and customized solutions, including:

- long distance, international and toll-free voice services;
- local services, including private line, local data and special access services;
- data and Internet Protocol (IP) services for a variety of network standards, including frame relay and asynchronous transfer mode (ATM);
- managed networking services and outsourcing solutions; and
- wholesale transport services.

STRATEGY

AT&T Business Services intends to leverage its existing leadership position in communications connectivity and substantial customer base to become a leading provider of value-added managed communications services and outsourcing solutions. The following strategic objectives are critical to this

transformation:

Offer comprehensive enterprise networking solutions to large business customers. AT&T Business Services provides integrated communications services to enterprise customers, bundling an array of communications and data services to create customized end-to-end solutions. AT&T Business Services offers large domestic and U.S.-based multinational corporations solutions comprised of local voice and data, long-distance voice and data, IP, virtual private networks, hosting and managed network services. AT&T Business Services believes it has a well-established reputation for reliability, restoration and overall customer satisfaction, and that this provides it with critical competitive advantages in offering enterprise networking solutions.

Increase sales of new services. AT&T Business Services focuses on increasing sales of high-growth communications services, including local voice and data, IP connectivity and managed services. AT&T Business Services is focused on increasing sales on its extensive existing local, long distance and IP networks. With substantial infrastructure already in place, AT&T Business Services believes that future capital expenditures will be focused primarily on meeting specific customer demands for incremental capabilities and capacity. AT&T Business Services believes that increased sales of high-growth services will help increase asset utilization and expand operating margins for these new services.

Lower operating costs and increase efficiencies. AT&T Business Services believes it is imperative to maintain a cost leadership position. AT&T Business Services continuously evaluates its operations on an ongoing basis to streamline core processes and reduce costs, focusing on key operational areas including access, network operations, provisioning, billing, customer care and sales. In particular, AT&T focuses on

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providing its customers direct access to its network to enhance service quality and to reduce AT&T's access charge cost. AT&T Business Services routinely evaluates its performance relative to competitors through benchmarking studies. AT&T Business Services also reviews best-of-class companies across all industries to identify new process improvements and additional cost reduction opportunities.

Improve asset utilization. AT&T Business Services plans to continue to improve network asset utilization. AT&T Business Services has invested substantial capital to create an end-to-end network that supports next-generation communication services, such as IP-enabled virtual private networks. AT&T Business Services plans to selectively invest as market demand and asset utilization levels warrant in order to achieve competitive returns on capital.

Develop and offer new, innovative customer solutions. AT&T Business Services believes its market and technological leadership positions enable it to develop and offer new advanced communications services and managed service solutions. AT&T Business Services evaluates and launches new products and services on an ongoing basis to accelerate bundling of transport and connectivity services with other communications products, such as managed network services and outsourcing solutions. AT&T Business Services' goal is to develop and integrate new advanced applications in a manner that ensures effortless customer migration; for example, to transition from voice private networks to IP-enabled virtual private networks that support voice as an application. AT&T Business Services believes its leadership in voice services coupled with the technological leadership of AT&T Labs in developing IP and enterprise networking solutions will help attract new enterprise network customers and generate incremental revenue among AT&T's existing enterprise customers while increasing network utilization and improving margins.

INDUSTRY OVERVIEW

The communications services industry continues to evolve, both domestically and internationally, providing significant opportunities and risks to the participants in these markets. Factors that have been driving this change include:

- entry of new competitors and investment of substantial capital in existing and new services, resulting in significant price competition;
- technological advances resulting in a proliferation of new services and products and rapid increases in network capacity;
- the Telecommunications Act; and
- deregulation of communications services markets in selected countries around the world.

One factor affecting the communications services industry is the rapid development of data services. The development of frame relay, ATM and IP networks as modes of transmitting information electronically has dramatically transformed the array and breadth of services offered by telecommunications carriers.

Use of the Internet, including intranets and extranets, has grown rapidly in recent years. This growth has been driven by a number of factors, including the large and growing installed base of personal computers, improvements in network architectures, increasing numbers of network-enabled applications, emergence of compelling content and commerce-enabling technologies, and easier,